

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF LOUISVILLE TELEPHONE)
COMPANY D/B/A LOUISVILLE CELLULAR)
TELEPHONE COMPANY FOR THE ISSUANCE OF)
A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO PROVIDE DOMESTIC)
PUBLIC CELLULAR RADIO TELECOMMUNICA-)
TIONS SERVICE TO THE PUBLIC IN THE) CASE NO. 9251
GREATER LOUISVILLE METROPOLITAN AREA)
INCLUDING ALL OR PARTS OF JEFFERSON,)
BULLITT, SPENCER, OLDHAM, TRIMBLE AND)
HENRY COUNTIES IN KENTUCKY, AND SCOTT,)
WASHINGTON, FLOYD, CLARK AND HARRISON)
COUNTIES IN INDIANA AND FOR THE)
ESTABLISHMENT OF INITIAL RATES)

O R D E R

On December 27, 1984, Louisville Telephone Company, d/b/a Louisville Cellular Telephone Company, ("Louisville Telephone") filed an application for a certificate of public convenience and necessity to construct and operate a non-wireline cellular radio telecommunications system in the Greater Louisville Metropolitan area.

On February 27, 1985, BellSouth Mobility, Inc., Louisville Telephone's only competitor, was notified. By letter dated March 7, 1985, BellSouth Mobility, Inc., stated it did not wish to intervene and urged the Commission to expedite the approval of Louisville Telephone's application. In the absence of objections to Louisville Telephone's application and because of the

comprehensive information filed by Louisville Telephone with its application, the Commission determined that no hearing was necessary.

As a part of its application Louisville Telephone provided a copy of the construction permit granted by the Federal Communications Commission ("FCC") on October 11, 1984, for the construction of five cell sites in the Louisville area -- four in Kentucky and one in Indiana (Applicant's Exhibit B). In an ordinary certificate case the Commission determines whether or not to grant a certificate based upon its consideration of the need for the service, along with the financial and the technical capabilities of the applicant. The issue of "need" is not present in this case since the FCC has preempted the states by its finding of need for cellular radio telecommunications service on a national level.¹ Accordingly, the primary issues in this case for the Commission to decide are whether Louisville Telephone is financially and technically capable of providing the service.

The record shows that the members of the partnership forming the Louisville Telephone Company are currently operating cellular systems or are involved in the radio telecommunications industry in major metropolitan areas throughout the United States. This past experience in cellular technology and radio telecommunications establishes Louisville Telephone's technical credentials

¹ 89 FCC 2d 58, 82, 94-95 (1982).

for its Louisville operations. As to Louisville Telephone's financial stability the record in the case clearly shows that Louisville Telephone is financially sound.

On March 21, 1985, Louisville Telephone filed an amendment to its application which reduced the number of constituent partners. Midwest Mobilephone of Louisville ("Midwest") acquired the partnership interest of M-C Partnership of Louisville and Charisma Communications Corporation ("Charisma") acquired the partnership interests of Cellnet/Louisville, Cellular Mobile Services of Kentucky, Inc., Metro Mobile CTS, Millicom of Louisville, Inc., and Louisville Radiophone, Inc. The Partnership Agreement and the basic terms and conditions of the Partnership Agreement of Louisville Telephone dated May 14, 1984, continue to govern the Partnership.

Louisville Telephone will complete the submission of information in support of its application by supplying the amendments to cell site locations simultaneously with the FCC and the Public Service Commission on or before April 15, 1985.

Although the National Association of Regulatory Utility Commissioners has issued a Uniform System of Accounts for Cellular Communications Licensees, the Commission is still reviewing this matter and has not made a final determination at this time with regard to the appropriateness of this Uniform System of Accounts. Until the adoption of such a Uniform System of Accounts, the Commission is of the opinion that Louisville Telephone should maintain accounts of its cellular operations separate from any other business affiliate and in such manner as the revenues and

expenses for cellular operations in Kentucky can be readily identifiable. Within 30 days of the date of this Order, Louisville Telephone should file its chart of accounts which it will maintain until such time as this Commission prescribes a Uniform System of Accounts for Cellular Radio Telecommunications Service. Subsequent to the adoption of a Uniform System of Accounts, this Commission will issue its reporting requirements for Louisville Telephone and for all other cellular communications licensees under its jurisdiction.

The rates and charges proposed by Louisville Telephone are fair, just and reasonable and should be approved.

Based upon the above-stated findings and being advised, the Commission HEREBY ORDERS that Louisville Telephone Company be and it hereby is granted a certificate of convenience and necessity to provide cellular telecommunications service in the greater Louisville Metropolitan area including all or parts of Jefferson, Bullitt, Spencer, Shelby, Oldham, Trimble and Henry counties in Kentucky.

IT IS FURTHER ORDERED that Louisville Telephone shall file the amendments to its application relating to the cell site locations on or before April 15, 1985.

IT IS FURTHER ORDERED that the rates proposed by Louisville Telephone be and they hereby are approved effective with the institution of service.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Louisville Telephone shall file its chart of accounts

which it will maintain for Kentucky operations until such time as this Commission prescribes a Uniform System of Accounts for Cellular Radio Telecommunications Service.

IT IS FURTHER ORDERED that, within 30 days of the date of this Order, and prior to the institution of service, Louisville Telephone shall file its tariffs setting out the rates approved herein and all rules and regulations governing its service.

Done at Frankfort, Kentucky, this 9th day of April, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Wernick
Chairman

W. C. H. H. H.
Vice Chairman

Frank Shuck
Commissioner

ATTEST:

Secretary